

Below are several e-news items that may be of interest. In particular:

Final text on the Privacy Rule, and

Medi-Cal and HIPAA

NOTE: Be careful if you download or print the federal document as it is 441 pages.

As always: Please be sure to note that in some cases the information presented may be the opinion of the original author. We need to be sure to view it in the context of our own organizations and environment. You may need additional information, support, legal opinions and/or decision documentation when interpreting the rules.

My thanks to all the folks who have shared information for this e-news.

Have a great day!!!

Ken

Interesting items below:

Final Privacy Regs - see attachment

CA State DGS Management Memo

[hipaalive] PRIVACY: Summary of Privacy Revisions

Status of HHS HIPAA Administrative Simplification Regulations

[hipaanotes] HIPAAnote - Vol. 2, No. 31 - 08/15/02 - ATTACHMENT

[hipaalive] TCS: Filing for an extension with multiple provider numbers

Source for list of conferences

Medi-Cal and HIPAA

***** Final Privacy Regs *****

>>> "Jacobs, Ruth (OHI)" <RJacobs1@ohi.ca.gov> 08/15/02 03:45PM >>>

Attached are the changes to the final regs. The document contains the original changes as identified in the March 27, 2002 NPRM (changes are identified in black bold type, with deletions struck through and additions further highlighted with gray shading. We have identified the changes made by final regs in red bold type, with strikeouts showing deletions. We left in the NPRM changes to show where the final regs did or did not make changes. This document has been reviewed a number of times, however, if you identify errors, please notify me and I will make the necessary corrections. Thanks.

<<final privacy regs Aug 02.doc>>

Ruth I. Jacobs, RN

State of California

Health and Human Services Agency

Office of HIPAA Implementation (CalOHI)

1600 Ninth Street, Room 400

Sacramento, CA 95814

(916) 651-6905

Fax: (916) 653-9588

rjacobs1@ohi.ca.gov

>>> info@healthprivacy.org 08/16/02 01:02PM >>>

Having trouble finding topics of interest in the modifications to the Privacy

Rule released last Friday by HHS? We've put together an unofficial table of contents to make things easier. The table of contents is available at the Health Privacy Project Web site at http://www.healthprivacy.org/usr_doc/Table_of_Contents.pdf.

The final modifications to the Privacy Rule were published in the Federal Register on August 14, 2002. To view these modifications, visit the HHS Office for Civil Rights Web site at <http://www.hhs.gov/ocr/hipaa/finalreg.html>.

***** CA State DGS Management Memo *****

NOTE: The next to the last page of the CA State DGS Management Memo notes certain details related to the use of the HIPAA MSA that may apply to some State government programs.

Available at

www.osp.dgs.ca.gov/On-Line+Publications/SAM+Management+Memos.htm

or

http://www.documents.dgs.ca.gov/osp/sam/mmemos/mm02_12A.pdf

is a new Management Memo MM 02-12 Addendum #2,
RESTRICTIONS REGARDING USE OF CMAS, MASTER SERVICES AGREEMENTS, AND
NON-COMPETITIVELY BID CONTRACTS DURING INTERIM REVIEW PERIOD
AMENDMENTS TO COMPETITIVELY BID CONTRACTS; MODIFICATIONS TO
ATTACHMENTS A & B AND D

***** [hipaalive] PRIVACY: Summary of Privacy Revisions *****

*** HIPAALive! From Phoenix Health Systems/HIPAAAdvisory.com ***

Our list's own Bill MacBain has generously provided HIPAAAdvisory his Annotated Final Privacy Rule, reflecting the 8/14/02 modifications (MS Word document):

<http://www.hipaadvisory.com/regs/finalprivacymod/AnnotatedPrivacy081402.doc>

It could be exactly what you're looking for.

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Kim Diamondidis

Webmaster

kdiamondidis@phoenixhealth.com

>>> Stan Johnson 08/13/02 03:28PM >>>

Davis, Wright, Tremaine LLP has a great summary and analysis of the privacy changes at http://www.dwt.com/practc/hc_ecom/hc_ecom.cfm Click on the first Advisory Bulletin.

*** HIPAALive! From Phoenix Health Systems/HIPAAAdvisory.com ***

MB&F has prepared a summary of the revisions to the Privacy Rules. The summary and a black-lined version of the Privacy Rules marked to show the final revisions can be found on MBF's website at www.mbf-law.com

If you would like me to send either document, please email me off the list at rlglover@mbf-law.com

Ralph L. Glover II

Michael Best & Friedrich, LLC

Chicago, Illinois 60611
rlglover@mbf-law.com

***** Status of HHS HIPAA Regs *****

A great recap of the status and expected dates for the various rules and regulation can be found at:

<http://www.hipaadvisory.com/regs/compliancecal.htm>

** [hipaalive] TCS: Filing for extension with multiple provider numbers ****

*** HIPAAlive! From Phoenix Health Systems/HIPAAAdvisory.com ***

CMS has addressed this. You may want to check out their online response at:

http://questions.cms.hhs.gov/cgi-bin/cmshhs.cfg/php/enduser/std_adp.php?p_faqid=926&p_created=1028641518

Lew Mashburn, MHA, MPA, CHE
HIPAA Compliance Manager
The Children's Mercy Hospital
Kansas City, MO 64108

***** Source for list of conferences *****

A source might be the Wedi-Snip site at:

<http://www.wedi.org/>

Also Phoenix Health has one too at:

<http://www.hipaadvisory.com/>

***** Medi-Cal and HIPAA *****

A question I frequently hear is how will Medi-Cal be impacted by HIPAA? The answer is available online at <http://www.medi-cal.ca.gov/>

The California Department of Health Services Medi-Cal Website has a lot of information available to the public about HIPAA and how it will be addressed.

Some of the many topics included in their "HIPAA Update" link are:

[HIPAA Implementation Status](#) – Information on the status of enacting HIPAA regulations in California

[HIPAA News](#) – Articles and newsletters describing HIPAA's impact on the Medi-Cal provider community

[HIPAA Overview](#) – Understand the impact of HIPAA

[HIPAA Question and Answer](#) – Medi-Cal 2000 Conference Question and Answer and Frequently Asked Questions

[HIPAA Technical Publications](#) – Beta manuals for future NCPDP standards

[HIPAA Reference](#) – Links to organizations with information about HIPAA

[How will HIPAA impact Medi-Cal providers?](#) –Transmitting health care claims and other health care transactions electronically in the national standardized format will streamline billing processes. March 2001

[What should providers be doing to prepare for HIPAA?](#) – A series of articles and newsletters advising providers of the impact of HIPAA will be published this year in *Medi-Cal Update*. April 2001

[HIPAA Checklist for Facilities](#) – Please have your Information Technology (IT) staff complete this checklist and analyze the results to determine your facility's technical readiness. August 2001

LATEST HIPAA UPDATE TAKEN FROM THE MEDI-CAL WEBSITE (WWW. MEDI-CAL.CA.GOV):

HIPAA Transactions and Code Sets Implementation Plan

The Administrative Simplification provisions of the Health Insurance Portability and Accountability Act (HIPAA) of 1996 (Public Law 104-191) require that the Secretary of Health and Human Services (HHS) adopt standards for electronic health care transactions by defining the standard data elements and code sets that must be used. In addition, the Secretary must adopt standards for unique health identifiers, guidelines for security safeguards and privacy standards to protect individually identifiable health care information.

The Administrative Simplification provisions for the Transactions and Code Sets Final Rule was originally mandated for compliance no later than October 16, 2002. On December 27, 2001, President Bush signed bill HR 3323. More commonly known as the Administrative Simplification Compliance Act (ASCA), this bill provides relief to HIPAA implementers by creating a process to request an extension of the current compliance date. This extension will move the deadline for compliance to October 16, 2003.

In order to receive the extension, organizations are required to submit a plan to HHS before October 16, 2002. The California Department of Health Services and Medi-Cal may be submitting an extension request. Organizations that are in compliance by the original deadline will be allowed to send or receive non-compliant transactions to or from trading partners that have requested the extension.

Organizations that are not in compliance with the Transactions and Code Sets Final Rule by October 16, 2002, and do not request an extension, may be subject to the penalties as defined in the original legislation. These organizations may also be excluded from participation in the Medicare program.

The ASCA does not allow for an extension of the October 16, 2003 compliance deadline for plans that qualify as small health plans, and it does not modify the April 14, 2003 (or April 14, 2004 for small health plans) compliance date for the Privacy Final Rule.

Communicating HIPAA Updates

Providers, submitters and software vendors will be notified as billing instructions and submission requirements are modified. Until they are notified of the effective dates of any HIPAA-related changes, existing policy and billing requirements will remain in effect.

Transaction Standards

Medi-Cal plans to implement the following standards* by October 16, 2003:

Transaction	Description	Standard Version
ANSI ASC X12 837	Health Care Claims	
	Professional	004010X098
	Institutional	004010X096
NCPDP	Retail Pharmacy Drug Claims	
		5.1 - online 1.1 - batch
ANSI ASC X12 835	Health Care Claim Payment/Advice	004010X091
ANSI ASC X12 276/277	Health Care Claim Status Inquiry and Response	004010X093
ANSI ASC X12 270/271	Health Care Eligibility Inquiry and Response	004010X092

* American National Standards Institute (ANSI); Accredited Standards Committee (ASC X12); National Council for Prescription Drug Programs (NCPDP).

Information about the Treatment Authorization Request (TAR) system, compliance to the mandated HIPAA transactions and Health Care Services Review (ANSI ASC X12 278 version 004010X094) transactions will be released in a future *Medi-Cal Update*.

Health Care Claims

Medi-Cal will begin accepting the 837 standard transaction format for Professional (004010X098) and Institutional (004010X096) claims by October 16, 2003. Non-standard electronic claim formats will be phased out.

Code Sets

HIPAA establishes standard codes for transactions. These standard codes include National Drug Codes, ICD-9-CM, CPT-4 codes and HCPCS codes. State-only codes, such as the X and Z service codes and the S diagnosis codes currently applied within Medi-Cal will be phased out. Service code conversion will be similar to the annual HCPCS update process existing currently, whereby service code application is end-dated based on date of service.

In addition to service codes, other Medi-Cal specific codes will be replaced with national codes. These codes include the following:

- Modifiers
- Medicare status codes
- Condition codes
- Occurrence codes
- Value codes

- Family planning indicators
- Accident/injury codes
- Place of service codes
- Vision qualifier codes
- Billing limit exception codes
- Patient status codes
- Claim status codes

Medi-Cal is reviewing any correlation between state-only and national codes and will be seeking feedback later this year in an effort to minimize health care or operational impact.

Retail Pharmacy Claims

Medi-Cal began accepting retail pharmacy drug claims in the National Council for Prescription Drug Programs (NCPDP) Version 5.1 (Telecommunication) and Version 1.1 (Batch) on May 1, 2002. The current Version 3.2 (Telecommunication) and Computer Media Claims (CMC) Version (Batch) will be phased out. To correspond with the data element changes mandated by the NCPDP electronic standard, the paper Medi-Cal *Pharmacy Claim Form* (30-1) was also modified. The previous version of the claim form will be phased out gradually. For more information, see the March 2002 Pharmacy Bulletin 530.

Remittance Advice (Health Care Claim Payment/Advice)

Providers who elect to receive electronic remittance advice in the 835 standard transaction format will be able to download remittance advice from the Internet Bulletin Board System (IBBS) by October 16, 2003. Providers currently receiving electronic remittance advice via the Automated Remittance Detail Services (ARDS) will be able to receive the same information in the form of an electronic Supplemental Claims Processing Information (SCPI) report. There will be no change to the current paper remittance advice.

Health Care Claim Status Inquiry and Response

Medi-Cal will implement the 276/277 batch standard on the IBBS by October 16, 2003. The Automated Provider Services Web claims status application will be modified to accept the national claims status codes. A new Web page will allow providers to cross-reference the Medi-Cal claims status codes to national claims status codes. There will be no change to the claim status transactions on the Provider Telecommunication Network (PTN).

Health Care Eligibility Benefit Inquiry and Response

Medi-Cal currently uses the fields associated with the 270/271 standard transactions for the processing of eligibility information in real-time. The current Medi-Cal system was developed using the entire 270/271 transaction standard. The system will be updated to the 004010X092 implementation guide specifications and a new batch eligibility transaction will be developed.

No major changes will be made to the following interactive eligibility verification applications: Automated Eligibility Verification System (AEVS), Point of Service (POS) device, Claims and Eligibility Real-Time System (CERTS) software or Web application.

Please continue to check your provider bulletins and the Medi-Cal Web site for further updates.